

BENKI KUU YA TANZANIA

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FA.56/475/047**28th June 2012****TO: ALL BANKING INSTITUTIONS****SUB: ANNUAL GENERAL MEETINGS**

This Circular is issued under Section 71 of the Banking and Financial Institutions Act, 2006.

In the recent past there has been a growing emphasis on the need for banking institutions to enhance their corporate governance in a bid to mitigate risks which may lead to unsafe and unsound operations and therefore trigger bank failures. In the context of the banking sector in the country, Bank of Tanzania has taken a number of efforts to enhance corporate governance, including issuance of the Guidelines for directors of Banks and Financial Institutions, 2008.

In connection with the foregoing, the role of shareholders in corporate governance has continued to attract considerable attention. The role played by shareholders and directors in enhancing good corporate governance in the banking institutions complements efforts of the Bank as a regulator in ensuring safety and soundness of the financial system. In order for shareholders and directors to be able to discharge their duties effectively they need to be well informed with developments taking place in their institutions as well as in the economy at large.

It therefore becomes imperative that Annual General Meetings (AGMs), which is the main forum for shareholders to discharge their various responsibilities including corporate governance, become more informative, providing an opportunity for them to be fully briefed on the banking institution's activities and engage the board and senior management on both operations and governance matters.

- 1) In view of the foregoing, Bank of Tanzania is interested to participate in the AGMs of banking institutions to appreciate deliberations and discussions on the performance of banks. In attendance, the Bank's role will only be that of an observer. In this regard, you are required to inform and invite representative(s) from the Bank to attend your AGMs. The invitation should be made 14 days prior to the date of the meeting and should include the agenda to be discussed.

Yours faithfully,

BANK OF TANZANIA

A. E. Kobello

K. A. Nyoni

DIRECTORATE OF BANKING SUPERVISION